

Family Support Center of Ogden, Inc.

Year Ended June 30, 2007

Financial Statements

And

Independent Auditor's Report

With Supplementary Information

And

Compliance Reports



Family Support Center of Ogden, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Family Support Center of Ogden, Inc.
Ogden, UT

We have audited the accompanying statement of financial position of Family Support Center of Ogden, Inc. (a nonprofit organization) as of June 30, 2007, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's June 30, 2006 financial statements and, in our report dated September 15, 2006, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Support Center of Ogden, Inc. as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2007 on our consideration of Family Support Center of Ogden, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Shaw Mumford & Co., P.C.

Bountiful, Utah
August 22, 2007

Family Support Center of Ogden, Inc.

Statement of Financial Position

June 30, 2007

With Comparative Totals For June 30, 2006

	<u>6/30/2007</u>	<u>6/30/2006</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 488,462	\$ 455,991
Accounts and contracts receivable	44,216	62,585
Prepaid expenses	2,517	-
Sales tax receivable	<u>82</u>	<u>67</u>
Total current assets	<u>535,277</u>	<u>518,643</u>
Fixed assets, at cost		
Furniture and equipment	66,427	66,427
Less accumulated depreciation	<u>(56,322)</u>	<u>(49,396)</u>
Net fixed assets	<u>10,105</u>	<u>17,031</u>
Total assets	<u>\$ 545,382</u>	<u>\$ 535,674</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ -	\$ 16,892
Accrued liabilities	<u>5,509</u>	<u>8,613</u>
Total current liabilities	<u>5,509</u>	<u>25,505</u>
Net assets		
Unrestricted	501,152	480,702
Temporarily restricted	38,721	29,467
Permanently restricted	<u>-</u>	<u>-</u>
Total net assets	<u>539,873</u>	<u>510,169</u>
Total liabilities and net assets	<u>\$ 545,382</u>	<u>\$ 535,674</u>

See accompanying notes to financial statements.

Family Support Center of Ogden, Inc.
Statement of Activities
Year June 30, 2007
With Comparative Totals For The Year Ended June 30, 2006

	6/30/2007			6/30/2007	6/30/2006
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
REVENUES AND SUPPORT					
Utah Division of Child and Family Services	\$ 213,027	\$ -	\$ -	\$ 213,027	\$ 260,177
Public donations	62,090	20,804	-	82,894	89,412
Fundraising revenue	66,640	-	-	66,640	68,092
USU Parenting classes	9,935	10,462	-	20,397	-
Interest	17,009	-	-	17,009	13,811
Christmas Box House	9,644	-	-	9,644	-
Donations in-kind	9,479	-	-	9,479	20,169
United Way Donations	2,462	5,205	-	7,667	7,667
Volunteer Services	4,397	-	-	4,397	41
FEMA	1,086	2,250	-	3,336	7,536
Child Nutrition Program	1,558	-	-	1,558	686
Miscellaneous and client fees	621	-	-	621	2,910
Child Care Food Plan	-	-	-	-	2,366
Net assets released from restrictions	<u>29,467</u>	<u>(29,467)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>427,415</u>	<u>9,254</u>	<u>-</u>	<u>436,669</u>	<u>472,867</u>
EXPENSES					
Program services	339,140	-	-	339,140	384,844
Management and general	15,630	-	-	15,630	11,015
Fundraising	<u>52,195</u>	<u>-</u>	<u>-</u>	<u>52,195</u>	<u>51,445</u>
	<u>406,965</u>	<u>-</u>	<u>-</u>	<u>406,965</u>	<u>447,304</u>
Change in net assets	20,450	9,254	-	29,704	25,563
Net assets, beginning of year	<u>480,702</u>	<u>29,467</u>	<u>-</u>	<u>510,169</u>	<u>484,606</u>
Net assets, end of year	<u>\$ 501,152</u>	<u>\$ 38,721</u>	<u>\$ -</u>	<u>\$ 539,873</u>	<u>\$ 510,169</u>

See accompanying notes to financial statements.

Family Support Center of Ogden, Inc.
Statement of Functional Expenses
Year June 30, 2007
With Comparative Totals For The Year Ended June 30, 2006

	6/30/2007				
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>6/30/2007 Total</u>	<u>6/30/2006 Total</u>
Salaries and wages	\$ 242,328	\$ 7,376	\$ 1,544	\$ 251,248	\$ 244,554
Payroll taxes	18,845	650	2,166	21,661	21,205
Employee benefits	<u>22,602</u>	<u>779</u>	<u>2,598</u>	<u>25,979</u>	<u>21,393</u>
 Total salaries and related expenses	 283,775	 8,805	 6,308	 298,888	 287,152
 Food	 6,970	 -	 19,049	 26,019	 17,333
Supplies	9,233	1,394	13,559	24,186	26,763
In-kind donations	-	-	9,479	9,479	20,169
Legal, accounting and fees	6,179	1,057	1,097	8,333	4,183
Travel	4,595	197	103	4,895	5,378
Volunteer services	4,397	-	-	4,397	41
Miscellaneous	627	2,273	1,470	4,370	4,750
Telephone and postage	3,652	217	155	4,024	4,307
Repairs and maintenance	3,704	240	59	4,003	4,254
Utilities	3,422	222	56	3,700	3,700
Printing and publications	2,422	246	716	3,384	2,579
Conference and workshops	1,742	85	23	1,850	3,644
Insurance	700	467	32	1,199	2,046
Christmas clients	1,135	-	-	1,135	1,617
Advertising	164	11	2	177	288
Payments to sub-recipients	-	-	-	-	49,529
Temporary help	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,058</u>
 Total expenses before depreciation	 332,717	 15,214	 52,108	 400,039	 440,791
 Depreciation	 <u>6,423</u>	 <u>416</u>	 <u>87</u>	 <u>6,926</u>	 <u>6,513</u>
 Total expenses	 <u>\$ 339,140</u>	 <u>\$ 15,630</u>	 <u>\$ 52,195</u>	 <u>\$ 406,965</u>	 <u>\$ 447,304</u>

See accompanying notes to financial statements.

Family Support Center of Ogden, Inc.
Statement of Cash Flows
Year June 30, 2007
With Comparative Totals For The Year Ended June 30, 2006

	<u>6/30/2007</u>	<u>6/30/2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 29,704	\$ 25,563
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,926	6,513
Changes in current assets and liabilities:		
Accounts receivable	18,369	(49,034)
Sales tax receivable	(14)	36
Prepaid expenses	(2,517)	-
Accounts payable	(16,892)	16,892
Accrued liabilities	<u>(3,105)</u>	<u>3,083</u>
Net cash provided by operating activities	<u>32,471</u>	<u>3,053</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for the purchases of fixed assets	-	(2,749)
Principal payments received on installment note	<u>-</u>	<u>99,838</u>
Net cash provided by investing activities	<u>-</u>	<u>97,089</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
 Net change in cash	32,471	100,142
Cash and cash equivalents, beginning of year	<u>455,991</u>	<u>355,849</u>
Cash and cash equivalents, end of year	<u>\$ 488,462</u>	<u>\$ 455,991</u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for taxes	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

Family Support Center of Ogden, Inc.

Notes to Financial Statements

June 30, 2007

1. ORGANIZATION BASIS OF PRESENTATION

Family Support Center of Ogden, Inc. (the "Organization") was incorporated under the laws of the State of Utah on March 22, 1979 as a nonprofit corporation. The Organization's purpose is to provide education and supportive services to strengthen the family unit and enhance family functioning. The Organization does this by providing short-term respite and emergency care, parenting classes and in-home parenting instruction to children and their parents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared on the accrual basis. The Organization follows the provisions of Statements of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations" and SFAS No. 116, "Accounting for Contributions Received and Contributions Made."

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Estimates in the Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classes of Net Assets

Revenues and gains are classified based on the presence or absence of donor restrictions and reported in the following net asset categories:

- a. Unrestricted net assets represent the portion of net assets not subject to donor restrictions.
- b. Temporarily restricted net assets arise from contributions that are restricted by the donor for specific purposes or time periods.
- c. Permanently restricted net assets arise from contributions that are restricted by the donor in perpetuity.

All contributions are considered available for unrestricted use, unless specifically restricted by the donors. All expenses are reported as changes in unrestricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at their estimated collectible amounts. The Organization's accounts receivable are generally short-term in nature; thus accounts receivable do not bear interest.

Accounts receivable are periodically evaluated for collectibility based on past credit history with customers and their current financial condition. An allowance for doubtful accounts has not been established because management believes that all accounts receivable will be fully collectible.

Fixed Assets

Fixed assets are recorded at acquisition cost, or if donated, at the fair market value at the date donated. The Organization capitalizes additions that exceed \$1,000. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the respective assets, which range from five to seven years. Depreciation expense for the year ended June 30, 2007 was \$6,926.

Contributions

Unconditional promises to give are recognized as revenue when the underlying promises are received by the Organization. Gifts of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restrictions ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Income taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended June 30, 2007.

Donated services

Volunteers and advisors have donated substantial time in assisting the Organization in achieving the goals of its programs. Amounts applicable to donated services that meet the requirements of SFAS No. 116 have been included in the accompanying financial statements.

Government Funding

Funding from all government sources is considered to be unrestricted as long as it is expended under contract guidelines and is expended in the period for which it is contracted.

Concentrations of Credit Risks

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. At June 30, 2007, \$394,772 exceeded the FDIC insurance limit of \$100,000, and therefore was not insured. The Organization has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash.

The Organization receives a significant amount of its funding from government sources. Decreases in this government support would have an adverse effect upon the Organization.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fair Value of Financial Instruments

The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at June 30, 2007, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

Reclassifications

Certain items from June 30, 2006 have been reclassified to conform to the June 30, 2007 presentation.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2007:

St. Benedict's Foundation (promise to give)	\$ 20,804
Christmas Box House	9,644
Utah Division of Child and Family Services	8,563
United Way (promise to give)	<u>5,205</u>
	<u>\$ 44,216</u>

The Organization expects to receive the entire amounts of the United Way and St. Benedict's Foundation promises to give in the next fiscal year.

4. RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30, 2007:

United Way (promise to give)	\$ 5,205
St. Benedict's Foundation (promise to give)	20,804
USU STEPS Parenting Class	10,462
FEMA monies	<u>2,250</u>
	<u>\$ 38,721</u>

The Organization receives funding from United Way and St. Benedict's Foundation on a calendar year basis. The annual allocations from United Way and St. Benedict's Foundation are considered conditional promises to receive and in accordance with SFAS No. 116 the entire annual amount must be recorded as of June 30, 2007.

5. UTAH DIVISION OF CHILD AND FAMILY SERVICES

The individual contracts and grants received from the Utah Division of Child and Family Services for the year ended June 30, 2007 were as follows:

Crisis Nursery	\$ 99,321
TOR Program	45,000
In-home respite	25,000
Passed through Christmas Box House	30,000
Parenting classes	<u>13,706</u>
	<u>\$ 213,027</u>

6. PROGRAM EXPENSES

Program expenses for the year ended June 30, 2007 were as follows:

Crisis Nursery	\$ 104,861
TOR Program	51,207
In-home respite	24,530
FEMA	6,613
USU STEPS Parenting Classes	11,490
Spanish In-Home Parenting	21,454
Bright Beginnings	38,703
CBH transitional counseling	50,644
Parenting classes	<u>29,638</u>
	<u>\$ 339,140</u>

7. PRIOR YEAR INFORMATION

The financial statements for the year ended June 30, 2006 are presented for comparative purposes only. The notes presented herein contain information relating to June 30, 2007 only. Please refer to the June 30, 2006 audited financial statements for information relating to the notes for the prior year.

SUPPLEMENTARY INFORMATION
AND
COMPLIANCE REPORTS



SHAW/MUMFORD
AND CO., P.C.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Directors
Family Support Center of Ogden, Inc.
Ogden, UT

We have audited the financial statements of Family Support Center of Ogden, Inc. (a nonprofit organization) as of and for the year ended June 30, 2007, and have issued our report thereon dated August 22, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Family Support Center of Ogden, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family Support Center of Ogden, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Shaw Mumford & Co., P.C.

Bountiful, Utah
August 22, 2007



SHAW/MUMFORD
AND CO. P.C.

**REPORT ON COMPLIANCE WITH STATE OF UTAH
LEGAL COMPLIANCE AUDIT GUIDE**

The Board of Directors
Family Support Center of Ogden, Inc.
Ogden, UT

We have audited the financial statements of Family Support Center of Ogden, Inc. (a nonprofit organization) for the year ended June 30, 2007 and have issued our report thereon dated August 22, 2007. As part of our audit, we have audited Family Support Center of Ogden, Inc.'s compliance with the requirements governing types of services allowed or unallowed; eligibility; and matching that are applicable to its major State award program as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2007. Family Support Center of Ogden, Inc. received the following major State assistance program from the State of Utah:

Crisis Nursery/In-home Respite (Utah Department of Human Services)

Family Support Center of Ogden, Inc. also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to test work as part of the audit of Family Support Center of Ogden, Inc.'s financial statements.)

Outreach (Utah Department of Workforce Services)
Parenting Classes (Utah Department of Human Services)
Safe and Stable Families (Utah Department of Human Services)
Parent Evaluation (Utah Department of Human Services)

The management of Family Support Center of Ogden, Inc. is responsible for its compliance with the compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Family Support Center of Ogden, Inc.'s compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, Family Support Center of Ogden, Inc. complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; and matching that are applicable to its major State assistance program for the year ended June 30, 2007.

Shaw Mumford & Co., P.C.

Bountiful, Utah
August 22, 2007